

COMSCINST 4200.16 w/CH-1	COG CODE N10	DATE 30 NOV 95
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DEPARTMENT OF THE NAVY
 COMMANDER MILITARY SEALIFT COMMAND
 WASHINGTON NAVY YARD BLDG 210
 901 M STREET SE
 WASHINGTON DC 20398-5540

COMSCINST 4200.16
 N10
 30 November 1995

COMSC INSTRUCTION 4200.16 w/CH-1

Subj: GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD PROGRAM

Ref: (a) NAVSUPINST 4200.85C
 (b) General Services Administration (GSA) Government-wide Commercial Credit Card Service Contract Guide

Encl: (1) Internal Operating Procedures for the Military Sealift Command

1. Purpose. To provide additional guidance for the implementation of procedures established by reference (a).

2. Background. The Naval Supply Systems Command (NAVSUP) has responsibility for providing DoN-wide policy for simplified acquisitions as defined in Federal Acquisition Regulation (FAR) Part 13. Specific policy, procedures and guidance concerning simplified acquisition and other simplified purchase procedures such as the Government-wide Commercial Purchase Card Program policy are promulgated through reference (a).

3. Scope

a. The Government-wide Commercial Purchase Card Program will be initiated and managed as part of the simplified acquisition function of the Contracting Offices (N10) as delegated by COMSC N10 in accordance with the policy and procedures identified in this instruction.

b. This instruction does not grant any authorities that are elsewhere restricted. Restrictions are identified in enclosure (1). Required sources of supply and service, such as DoN/DoD/Federal Stock Systems, Federal Prison Industries and the National Industry for Blind and Severely Handicapped are **not** to be circumvented. Purchases for medical supplies and communication and software equipment require approval from the respective controlling codes' Funds Administrators responsible for these areas.

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4. Procedures

a. The Agency/Organization Program Coordinator (*APC*) shall be MSC N10. The APC shall appoint Local Program Coordinator(s) (*LPC*). Local guidelines must be written by each LPC to coordinate the administrative procedures with their Comptrollers (N8) and Logistics Officers (N4). The local instructions shall identify points of contact for procurement assistance, ensure separation of functions and identify procedures for internal review.

b. Copies of local guidelines shall be forwarded to the APC for review. Requests for waivers or changes to reference (a) are to be submitted through the APC.

c. The LPC, through delegation of responsibility from the APC, shall delegate contracting authority in writing to potential cardholders in accordance with the procedures and limitations set by reference (a). Purchase limits will be coordinated with the Funds Administrator for each card holder. A copy of each letter of delegation or the SF 1402, *Certificate of Appointment*, shall be forwarded to the APC and a copy retained by the LPC.

d. LPCs shall submit a letter, similar to the sample letter attached to enclosure (1), requesting to participate in the program under the authority granted by this instruction. Attach the required information on individuals who will be issued a purchase card in accordance with reference (b).

5. Training Requirements. Prior to issuance of a purchase card, prospective cardholders shall successfully complete the mandatory training specified in reference (a) and enclosure (1). Requests for formal training for purchase cardholders must be submitted on a DD Form 1556 through the LPC. LPCs may develop a purchase card course that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card Course for Micro-purchasers. The course curricula and/or handbook must be submitted to the APC for review and approval.

6. Cardholder Responsibility/Liability. All cardholders shall comply with the simplified acquisition procedures and micro-purchase procedures as defined in the FAR, Defense FAR Supplement (*DFARS*) and reference (a). The cardholder shall document each transaction in accordance with reference (a) and enclosure (1). The purchase card will be embossed with the cardholder's name and may be used only by that cardholder. **No other person** is authorized to use the card. Intentional use of the purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of an individual's card and disciplinary action. The cardholder will be personally liable to the Government for the

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amount of any non-government transaction. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both.

7. Oversight

a. The cardholder shall reconcile the monthly billing statement, sign the statement, attach all supporting documentation and forward the package to the Approving Official identified in the internal operating procedures in accordance with reference (a). The Approving Official shall verify that all transactions were for necessary Government purchases.

b. The LPCs will ensure that each transaction is procured in accordance with the FAR, DFARS and other applicable regulations and instructions. The Funds Administrator shall ensure that each individual transaction has been recorded as required, into the appropriate system, to assure proper expense charges.

c. The APC, in conjunction with the LPC, shall ensure that a semi-annual review of purchase card transactions is conducted in accordance with established internal operating procedures in order to ensure that internal controls and local procedures are followed by requisitioners, cardholders and Approving Officials.

d. The purchase card program will be reviewed during the procurement management review (PMR) and may be addressed during command inspections.

Distribution:

COMSCINST 5000.19

List I (Case A, B)

SNDL 41B (*MSC Area Commanders*)
 41C (*MSC Subarea Commanders*)
 41D3 (*MSC Offices*)
 41F (*MSCCENTACT*)
 41G (*COMFSRON ONE*)
 41J (*OICMILDEPTs*)
 41K (*MSC Units*)
 41L (*COMPSRONs*)
 41M (*MSC TAGOS Units*)
 T-100 (*Masters, civil service manned ships*)

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MILITARY SEALIFT COMMAND INTERNAL OPERATING PROCEDURES FOR THE GOVERNMENT-WIDE CREDIT CARD PROGRAM

References: (a) General Services Administration (*GSA*) Government-wide Commercial
Credit Card Service Contract Guide
(b) NAVSUPINST 4200.85C

Attachments: 1 Delegation of Authority
2 Request for Participation in the Program
3 Transaction Log

1. The GSA Federal Supply Service (*FSS*) awarded a contract (*GS-23F-94031*) for Government-wide Commercial Credit Card Services to Rocky Mountain Bank Card System, Inc. (*RMBCS*). The contract provides, at the request of Federal ordering agencies, Government-wide commercial credit cards (*purchase card*) and associated services for civilian and military Government employees to make purchases under the simplified acquisition threshold for official Government use.

2. The policy of the Military Sealift Command (*MSC*) is to use the Government-wide Commercial Credit Card for purchases under \$2,500 for non procurement personnel, and purchases under \$25,000 for procurement personnel. The Contracts Directorate shall manage the purchase card program in all operating units to ensure that all transactions comply with these procedures and any other applicable internal regulations.

3. Definitions

a. **Agency Program Coordinator (APC)** - APC serves as the focal point for coordination of the applications, issuance and destruction of cards, establishment of reports and administrative training. This individual also serves as the liaison between MSC, RMBCS and the GSA Contracting Officer. He/she oversees the purchase card program and establishes guidelines. The APC is:

**SALLY K DARNER N101
MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 210
901 M ST SE
WASHINGTON DC 20398-5540
PHONE: (202)685-5550
FAX: (202)685-5556
DSN: 325-5550**

Enclosure (1)

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b. **Local Program Coordinator (LPC)** - LPC, appointed by the APC, serves as liaison to the APC. Each LPC will be responsible for the coordination of the applications, issuance and destruction of cards, establishment of reports and administrative training. Change to dollar limitations or authorized merchant codes must be submitted to RMBCS by the LPC. LPCs shall be the individuals holding the positions identified for the following MSC offices:

- **COMSC N101** -- for MSCHQ/MSCCENTACT
- **Senior N10 at Bayonne NJ** -- for offices on the East Coast (*except for MSC HQ*)
- **Senior N10 at Oakland CA** -- for MSC offices on the West Coast
- **Senior Contracting Official at London** -- for international MSC offices in Europe, including the Mediterranean area
- **Senior Contracting Official at FE** -- for international MSC offices in the Far East.

c. **Approving Official** - The Approving Official should be the cardholder's supervisor or a higher level official. A cardholder cannot be his/her own Approving Official. The Approving Official is responsible for reviewing the cardholder's monthly statement of account to ensure purchases are made in accordance with the FAR and agency regulations. The Approving Official may also serve as liaison with the contacts identified below. The Approving Official should enforce the provisions of these internal procedures and initiate administrative and disciplinary procedures for misuse of the card in accordance with these procedures.

d. **Cardholder** - The cardholder is the individual to whom a card is issued. The card bears this individual's name and may only be used by this individual to pay for authorized U.S. Government purchases.

e. **Delegation of Authority** - The written delegation is issued by the LPC. It shall specify the authority being delegated and any limitations on the authority. (*See Attachment 1 for a sample delegation of authority.*)

f. **Designated Billing Office Contact** - The appropriate MSC Designated Billing Office will receive the official invoice from RMBCS and will be responsible for payment of the official invoice. The billing office will be identified by the LPC with the submission of Attachment 2. The Designated Billing Office for the MSCHQ/MSCCENTACT is:

CAROLYN MERRITT, CTA N81
MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 157
WASHINGTON DC 20398-5541
PHONE: (202)685-5864
FAX: (202)685-5870
DSN: 325-5870

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g. **Disputes Office Contact** - This individual will coordinate, process and monitor all disputed purchases, credits or billing errors. The dispute office contact will be identified by the LPC with the submission of Attachment 2. The Dispute Office contact for MSCHQ/MSCCENTACT is:

SALLY K DARNER
MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 210
901 M ST SE
WASHINGTON DC 20398-5540
PHONE: (202)685-5550
FAX: (202)685-5566
DSN: 325-5550

h. **I.M.P.A.C** - An acronym that stands for "*International Merchant Purchase Authorization Card*." These initials will also appear on forms and cards provided by RMBCS

i. **Rocky Mountain Bank Card System, Inc. (RMBCS)** - RMBCS is the contractor who will maintain all I.M.P.A.C. accounts, issue cards to cardholders, send monthly statements to cardholders and Approving Officials and provide various reports to LPCs and the APC.

j. **Statement of Account** - The Statement of Account is a monthly listing of all payments authorized for purchases and credits made by the cardholder and billed by the merchant.

4. Use of the I.M.P.A.C. The I.M.P.A.C. may be used to pay for simplified acquisitions made in accordance with Part 13 of the FAR, and any other appropriate regulation, and to pay for orders placed against established contracts or with established sources of supply or service (*see FAR Part 8*), only when authorized by the contract or regulation requiring use of the source. The I.M.P.A.C. can be used to pay for supplies acquired using oral solicitation procedures. It may also be used to pay for supplies and services that are acquired through a purchase order or written contract. Without exception, the I.M.P.A.C. may only be used to pay for authorized U.S. Government purchases.

5. Setting up the I.M.P.A.C. Account. RMBCS will provide the APC with all the necessary cardholder and Approving Official Account Set-Up forms. The APC will distribute the forms to the LPCs for completion. The LPCs will return the completed forms with a letter (*Attachment 2*) requesting to participate in the program to RMBCS for processing. Electronic account set-up is available. The card will be mailed to the

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cardholder within 5 working days after the application is received by RMBCS [2 working days if sent electronically]. Upon receipt of the card, the cardholder must call a 1-800 telephone number at RMBCS to activate the card. The cardholder must know his/her single purchase limit and monthly limit to activate the card.

6. Delegation of Authority. The LPC shall exercise the authority granted by the APC and delegate authority to make purchases up to \$2,500 or less for non-purchasing (*non GS-1105*)/non contracting (*non GS-1102*) individuals and up to \$25,000 or less for purchasing (*GS-1105*)/contracting (*GS-1102*) individuals that have a need for the authority. The non-purchasing/non-contracting cardholders are not authorized to execute or sign any merchant's purchase orders, delivery requests, invoices or other documents that may be construed as creating a written contract between the merchant and the U.S. Government.

7. Training

a. Individuals that have not taken formal training courses on simplified acquisitions or basic procurement in contracting must receive formal training or on-the-job orientation/training on simplified acquisition procedures provided by the following sources:

- ***If delegated single purchase authority does not exceed \$2,500, the cardholder must complete at least one of the following courses:***
 - NAVSUP Commercial Purchase Card Course for Micro-purchasers; or
 - An APC approved purchase card course designed by the LPC that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card Course for Micro-purchasers; or
 - NAVSUP Simplified Acquisition Procedures Course.
- ***If delegated single purchase authority exceeds \$2,500, the cardholder must complete at least one of the following courses:***
 - Purchasing Fundamentals (*PUR 101*); or
 - Contracting Fundamentals (*CON 101*).

b. The APC/LPCs should provide information and basic instructions on how to use this card to cardholders and Approving Officials in accordance with this instruction. All cardholders and Approving Officials shall read and be familiar with the requirements of these internal agency procedures and references (a) and (b). Periodic review of these internal agency procedures and other regulations is required at least once a year. Prospective cardholders and Approving Officials shall complete agency training procedures and certifications prior to their account set up forms being submitted to RMBCS.

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8. Standards of Conduct. MSC employees hold a public trust; their conduct must meet the toughest ethical standards. All MSC employees shall use this card only to purchase items of supply or service within the guidance of this program. Cardholders and Approving Officials acknowledge that making false statements on credit card records may provide support for removing the employee from Federal service. The Government may punish wrong doers by fine, imprisonment or both, as stated in Section 1001, Title 18 United States Code. Unauthorized use shall have the meaning as set forth in footnote 22, Section 226.12, Title 12 Code of Federal Regulations. *“Unauthorized use means the use of a credit card by [any] person, [including] the cardholder.”* who does not have actual implied or apparent authority for such use, and from which the [Government] received no benefit.

9. Procurement Integrity. Contracting officers whose delegation of authority does not exceed \$2,500 and who are authorized to conduct acquisitions totaling more than \$20,000 in any 12-month period are procurement officials, as defined under Section 27 of the Office of Federal Procurement Policy Act, as amended, and must receive procurement ethics training and execute the procurement integrity certification required by FAR 3.104-12. As procurement officials, the cardholders and Approving Officials are subject to administrative actions or remedies as well as civil and criminal penalties for violations of the Procurement Integrity Act.

10. Dollar Limits Associated with the Card. Use of the credit card by a cardholder is subject to a single purchase limit, a monthly cardholder limit and a monthly office limit. The purpose of these dollar limits is as follows:

a. Single Purchase Limit. The single purchase limit is a limitation on the procurement authority delegated to the cardholder by the LPC. This dollar limit cannot be exceeded unless a revised delegation of authority is issued by the LPC raising the limit. When using the card, a *“single purchase”* may include multiple items; however, no single purchase may exceed the authorized single purchase limit established for each cardholder. Single purchase limits may be assigned to cardholders in \$50 increments.

b. Billing Cycle Purchase Limit. The monthly cardholder limit is a budgetary limit assigned by the Approving Official. The Approving Official shall coordinate with the Funds Administrator(s) when determining a monthly limit. The total dollar value of purchases when using the card for any single month shall not exceed the monthly purchase limit set by the Approving Official. The Approving Official in conjunction with the Funds Administrator may raise the monthly cardholder limit. Monthly cardholder limits may be assigned in \$100 increments up to \$999,900 for procurement officials as defined in reference (a). The monthly cardholder limit may not exceed a prorated amount that will exceed a total of \$20,000 in a 12-month period for non-procurement officials.

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c. Billing Cycle Office Limit. The monthly office limit is a budgetary limit established by the Funds Administrator for each Approving Official. The limit established by the Funds Administrator(s) shall not exceed the sum of the Approving Official's cardholders' monthly purchase limits and will reflect spending history as well as budgetary trends. The total dollar value of purchases using the card shall not exceed the monthly office limit established by the Funds Administrator(s). Monthly office limits may be assigned in \$100 increments up to \$999,900.

11. Cardholder Responsibility. The unique I.M.P.A.C. Visa card that the cardholder receives has his/her name embossed on it and may be used only by that cardholder. No other person is authorized to use the card. The card was specially designed showing the great seal of the U.S. and the words "*United States of America*" imprinted on it to avoid being mistaken for a personal credit card.

12. Vendor Authorization. When issuing this card to an employee, authorization codes will be established by the LPC and will be incorporated in the card. Under normal circumstances, merchants are required to obtain authorization from RMBCS for purchases over \$50.00. However, many merchants now use electronic authorization methods allowing them to obtain authorization for all purchases, regardless of amount. When authorization is sought for a purchase by the merchant, RMBCS authorization system will check each individual cardholder's single purchase limit, the Billing Cycle Purchase Limit, the Approving Official's Billing Cycle Office Limit and the type of merchant where the cardholder is making a purchase before authorization for that transaction will be granted.

13. Conditions for Use. Use of the card must meet the following conditions.

a. The total of a single purchase to be paid for using the card may be comprised of multiple items and cannot exceed the authorized single purchase limit. Purchases will be denied if the authorized single purchase limit is exceeded. Payment for purchases is not to be split in order to stay within the single purchase limit.

b. All items purchased over the counter must be immediately available. No back-ordering is allowed.

c. All items purchased by telephone order that will not be confirmed with a written order must be delivered in a single delivery by the merchant within the 30-day billing cycle. The order shall not be placed without this assurance.

d. All accountable personal property items purchased and paid for using the card shall be reported to N4 for inclusion in the inventory system.

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e. When purchasing items by phone or over the counter, the cardholder shall inform the merchant that the purchase is for Official U.S. Government purposes and therefore is not subject to state or local sales tax. The card will be printed with "*US Govt Tax Exempt*" for additional clarification.

f. Activities shall maintain a separation of function by ensuring the cardholder does not use his/her purchase card to order any item for which he/she is the requiring agent unless the item is to be delivered to a central receiving organization or such action is specifically authorized by his/her Approving Official.

14. Special Approval Items. Requests for the following commodities require approval from the following controlling codes:

- **Medical items -- N00M**
- **Communications and Computer Equipment and Software -- N6**

Purchase requests for federal information processing (*FIP*) resources (*e.g., automated data processing and telecommunications equipment, software and hardware*) must contain evidence of life cycle management documentation and approvals required by SECNAVINST 5231.1C.

15. Unauthorized Use of the Card. The card may not be used for the following:

(R)

- **Cash advances (*not permitted under any circumstances*)**
- **Rental or lease of land or buildings**
- **Purchases of telecommunications (*telephone*) services**
- **Rental or lease of motor vehicles, whether or not on official travel**
- **Travel expenses for transportation, lodging or meals**
- **Gasoline or oil for vehicles; except if specifically authorized by the HCA/ Procurement Management Review office for DoN aircraft, vessels and vehicles**
- **Repair of GSA leased vehicles**
- **Hazardous Materials as defined by 29 CFR 1910.1200.**
- **Naval Facilities Engineering Command (NAVFAC) cognizant services (*i.e., construction, architectural and engineering services, facility support*)**
- **When a bilateral purchase order is required (*e.g., Foreign Military Sales, classified requirements*)**
- **Purchases that require federal or military specifications**

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16. Acquisition Procedures for use with the I.M.P.A.C.

a. Use of Acquisition Regulations. When making purchases using the I.M.P.A.C., all of the applicable acquisition regulations apply. Regardless of whether the open market purchase is made using oral procedures or using a written purchase order or contract, the cardholder must:

(1) Ensure that funds are available before each transaction is made.

(2) Comply with all procurement statutes, regulations and policies. Special attention is required in the following areas:

(a) Regardless of whether an order is made over-the-counter or by telephone, the cardholder who has the authority to make transactions over the micro-purchase threshold must solicit competition for all purchases over \$2,500 in accordance with FAR 13.106.

(b) In accordance with the Small Business Act as implemented by FAR 13.105, each order for supplies or services that has an anticipated value of \$25,000 or less (*excluding micro-purchases*) shall be reserved exclusively for small business concerns. The provisions of the Small Business Act do not apply in overseas locations.

(c) Provisions of the Buy American Act apply in accordance with FAR Part 25 (*excluding micro-purchases*).

(d) Micro-purchases shall be distributed equitably among qualified suppliers.

(3) The purchase card shall only be used to purchase supplies or services if requirements cannot be satisfied through required sources listed in FAR Part 8. For example, NIB/ NISH and FPI are mandatory sources by statute and items that fall under their cognizance must still be ordered via normal channels. Supplies, furniture and equipment available from GSA/DLA stock programs must be ordered from those sources unless the items fail to meet the test of quality, timeliness and cost specified in DFARS 208.7003-1.

(4) Certify that the quantity and quality of the items furnished are in accordance with the agreement (*verbal or written*) with the vendor.

(5) Ensure that the fee paid by merchants is not added to the price of items purchased by cardholders.

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b. Oral Purchase Procedures. An order may be placed or a purchase made through an oral agreement, made in person or by telephone. No written purchase order or contract is issued by the Government. The supplies or services are provided by the vendor and payment is made using the I.M.P.A.C.

(1) Oral purchase procedures may be used to acquire supplies or services that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired; PROVIDED the oral procedure is authorized in the FAR (13.2 *Blanket Purchase Agreements*, and 13.4, *Imprest Funds*) or agency regulations and a purchase order or contract is not required by either the supplier or the Government.

(2) When placing a telephone order to be paid using the I.M.P.A.C., the cardholder will:

(a) Notify the vendor that the purchase is tax exempt.

(b) Confirm that the vendor agrees to charge the credit card when shipment is made so that receipt of the supplies or services may be certified on the monthly Statement of Account.

(c) Instruct the vendor to include the following information on the shipping document, packing slip or work order if required: *(This information will alert the receiving officer and the requisitioner that the supplies or services have been purchased with the credit card.)*

1. Cardholder name and correspondence symbol;
2. Building number, room number, street address, city and state;
3. Cardholder telephone number;
4. The term "*Credit Card*."

(3) A log shall be used to document or record telephone credit card orders (*see Attachment 3*) under \$2,500 when competitive quotes are NOT solicited. If competitive quotes are solicited for purchases under \$2,500, or if the purchase exceeds \$2,500 and therefore requires competition, the record shall be documented as required by reference (a). The documentation will be held until the monthly billing statement is received and then attached to the statement when it is submitted to the Approving Official.

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c. File Retention. The LPC shall establish a centralized filing system (*either manual or electronic*) which must include the following:

(1) Requisition including approvals

(2) Evidence of screening

(3) Solicitation documentation

(a) Annotations on Requisition or Job order document; or

(b) Copy of applicable automated or manual logs or worksheets which include a complete record of the solicitation and award; including:

1. Merchant(s) solicited with point of contact;

2. Response(s) received;

3. Shipping and handling charges; and

4. Business size for each merchant and a Small Business Set-Aside dissolution, if award was made to other than a Small Business (*micro-purchases excluded*)

(c) Evidence of award

1. Merchant to whom award is made;

2. Date of Order;

3. Date of expected delivery;

4. Unit, extended and total price for each item and total order; and

5. Government employee authorized to pick-up material, if applicable

(d) Evidence of receipt, inspection and acceptance (*e.g., the itemized purchase card charge slip, sales draft, dealer's ticket, or cash register receipt*).

d. Purchases Requiring the Issuance of a Written Order or Contract. If the I.M.P.A.C. is used to pay for a purchase made by using one of the purchase order or contract forms, the vendor should be provided the necessary information orally either in person or by telephone and the statement "*Payment to be made by credit card*" shall be inserted on the form. DO NOT INCLUDE SPECIFIC INFORMATION FROM THE CARD ON THE

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PURCHASE ORDER. If the vendor requires an order, DD Form 1155 "*Order for Supplies or Services*" shall be used. The vendor is given his copy of the purchase order and the contracting officer (*cardholder*) maintains a copy. Do not distribute other copies.

17. Documentation, Reconciliation and Payment Procedures

a. Documentation. Any time a purchase is made using the card, whether it is done over the counter or by telephone, a document shall be retained as proof of purchase. These documents will later be used to verify the purchases shown on the cardholder monthly statement.

(1) When a purchase is made over the counter, the cardholder shall obtain the customer copy of the charge slip, which will become the accountable document (*make sure all carbons are destroyed*).

(2) When making purchases by phone, the cardholder shall document the transaction on a log (*Attachment 3*), and attach any shipping documents associated with the order.

b. Contractor Reports. RMBCS will provide and distribute three monthly documents within 5 working days after the end of the 30-day billing cycle.

(1) Cardholder Statement of Account -- all purchases, credits and other transaction data that the cardholder has made in the 30-day billing cycle.

(2) Approving Official Account Summary -- a record of all cardholder activity for which he/she has Approving Authority and a summary sheet for the current cycle.

(3) Finance Office Official Invoice - The official invoice provides summary data for each cardholder and Approving Official.

c. Reconciliation

(1) At the end of each monthly billing cycle, the cardholder shall reconcile the information on his/her statement by filling in the appropriate accounting classification in the accounting code block, if not the same as the Master Accounting Code, and a description for each purchase. The cardholder must then sign the statement, attach all supporting documentation including original receipts and the log of expenditures and forward to the Approving Official or designated alternate.

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(2) It is important that the cardholder check each purchase on the statement to verify the accuracy. If an item has been returned and the credit voucher received, the cardholder will verify that the credit is reflected on the statement. If purchased items and credits are not on the next monthly statement, the transaction documentation will be retained by the cardholder until the purchase or credit appears on the statement. If the purchase or credit does not appear on the next monthly statement, the cardholder or Approving Official will notify the dispute officer to resolve and reconcile the statement.

(3) The cardholder must sign the monthly statement and forward it to the Approving Official within 5 working days of receipt. If the cardholder cannot review the statement at the time that it is received, the Approving Official is responsible for reviewing and certifying the cardholder's statement. The Approving Official will meet with the cardholder upon his/her return to go over the cardholder's statement.

d. Missing Documentation. If for some reason the cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation.

e. Approving Official. The Approving Official is responsible for reviewing and signing the cardholder's monthly statement of account and forwarding the cardholders' statements of account to the designated billing office within 10 days after the end of the billing cycle.

18. Billing Errors and Disputes

a. Statement of Questioned Items. If a cardholder receives a statement that lists a transaction for merchandise that has not been received, or a transaction which includes an unauthorized charge, the cardholder (*or the Approving Official*) must notify the Dispute Office contact and complete the Cardholder Statement of Questioned Item form. RMBCS will credit the transaction until the dispute is resolved. In addition, a copy of the form must be attached to the cardholder's monthly statement and sent to the appropriate Designated Billing Office.

b. Defective Items. If items purchased with the card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors.

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19. Contact with RMBCS. RMBCS will be contacted by cardholders only to report a LOST OR STOLEN card. All other questions shall be directed to the contacts listed in these procedures. RMBCS telephone numbers are listed below.

20. Lost or Stolen Cards

a. Telephone Notification. If the card is lost or stolen, it is important that the cardholder immediately notify Rocky Mountain Bank Card Systems Inc. at the following numbers, 24 hours/day:

- **Inside the continental United States -- (800) 227-6736**
- **Outside the continental United States, call collect -- (303)585-5200**

b. Written Notification. The cardholder must also notify the Approving Official, the LPC and the APC of the lost or stolen card within 1 workday after discovering the card missing. The Approving Official shall submit a written report to the LPC and the APC within 2 workdays. The report will include:

- **the card number;**
- **the cardholder's complete name;**
- **the date and location of the loss;**
- **if stolen, date reported to police;**
- **date and time RMBCS was notified;**
- **any purchase(s) made on the day the card was lost/stolen; and**
- **any other pertinent information.**

c. Card Replacement A new card will be mailed within 2 business days of the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen shall be cut in half and given to his/her Approving Official or the LPC. The LPC will notify RMBCS that the card has been destroyed.

d. Unauthorized Use. MSC will not be liable for any unauthorized use of the I.M.P.A.C.. "*Unauthorized use*" means the use of a credit card by a person other than the cardholder, who does not have actual, implied or apparent authority for such use, and from which the Government receives no benefit.

21. Unauthorized Purchases. A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to MSC for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. Also, the cardholder may be subject to disciplinary action for unauthorized or careless use in accordance with the 18 U.S.C. 287. MSC will be liable for use of the I.M.P.A.C. by authorized cardholders.

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22. Card Security. It is the cardholder's responsibility to safeguard the credit card and account number at all times. The cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

23. Separation of Cardholder. Upon separation of a cardholder, the cardholder must surrender the card to his/her Approving Official or LPC. The LPC will notify the APC and RMBCS to cancel the account.

24. Transfer of Cardholder to Another Approving Official. If a cardholder is transferred to another office, the cardholder's account may simply be transferred to the Approving Official at the end of the current billing cycle. However, if a cardholder moves to a different Approving Official, the new Approving Official will determine if the employee will be a cardholder within his/her office. If it is determined that the card should be kept by the cardholder, a new cardholder account setup form will need to be completed and a new card issued under the new Approving Official. The old cardholder account will then be canceled.

Memorandum

From: *[Insert LPC's name]*, Local Program Coordinator

To: *[Insert cardholder's name and title]*

Subj: DELEGATION OF AUTHORITY

1. You are hereby delegated authority to purchase supplies and services and pay for such purchases using the International Merchant Purchase Authorization Card (*I.M.P.A.C.*); provided the amount of any single purchase does not exceed \$2,500 for non-procurement personnel, \$25,000 for procurement personnel in the GS 1102 or 1105 series.
2. Supplies may be purchased, consistent with your organizational responsibilities and monthly purchase limits established by the Approving Official designated to review your purchases, to satisfy legitimate requirements. The delegation does not authorize you to purchase supplies on the open market that are required to be obtained from mandatory sources of supply (*see FAR Part 8*). Nor does it authorize you to procure supplies for which procurement responsibility has been assigned to another organizational element.
3. All purchases must be made in accordance with applicable laws and regulations, including, but not limited to the Federal Acquisition Regulation (*FAR*), the Defense Federal Acquisition Regulation, the Navy Acquisition Procedures Supplement, NAVSUPINST 4200.85C and COMSCINST 4200.16.
4. This delegation shall automatically terminate upon separation from the agency or upon reassignment another office within the agency.

(Local Program Coordinator)

ATTACHMENT 1

30 November 1995

(*LETTERHEAD*)

4200
Ser N1111/

Mr. Craig Spencer
Rocky Mountain Bank System
1400 Eye St NW Suite 530
Washington DC 20005

Dear Mr. Spencer:

In accordance with the Military Sealift Command Instruction (*COMSCINST 4200.16*) submitted under delivery order number _____, I, as the appointed Local Program Coordinator, hereby request to participate in the Government-wide Credit Card Program under contract GS-23F-94031.

Accordingly, the following key personnel will oversee and coordinate the program at [*Insert Division Code*]:

Local Program Coordinator: NAME
 ADDRESS
 PHONE

Designated Billing Office: NAME
 ADDRESS
 PHONE

Dispute Officer: NAME
 ADDRESS
 PHONE

Enclosed, please find applications for the selected cardholders and a copy of our internal procedures. We look forward to participating in your program.

Sincerely,

(*YOUR NAME*)
Title

Encl:
(1) Selected Cardholders applications
(2) MSC Internal Procedure

ATTACHMENT 2

(One line per line item)

ATTACHMENT 3